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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/090,360	03/04/2002	Timothy S. LaBadie	210655.90107	8186

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EXAMINER

RIOUX, JAMES A

ART UNIT PAPER NUMBER

3694

SHORTENED STATUTORY PERIOD OF RESPONSE	MAIL DATE	DELIVERY MODE
3 MONTHS	04/06/2007	PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

If NO period for reply is specified above, the maximum statutory period will apply and will expire 6 MONTHS from the mailing date of this communication.

Office Action Summary

Application No. 10/090,360	Applicant(s) LABADIE ET AL.
Examiner James Rioux	Art Unit 3694

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) Responsive to communication(s) filed on 30 July 2002.
- 2a) This action is FINAL.
- 2b) This action is non-final.
- 3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) Claim(s) 1 and 2 is/are pending in the application.
4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) Claim(s) _____ is/are allowed.
- 6) Claim(s) 1-2 is/are rejected.
- 7) Claim(s) _____ is/are objected to.
- 8) Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) The specification is objected to by the Examiner.
- 10) The drawing(s) filed on _____ is/are: a) accepted or b) objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
a) All b) Some * c) None of:
1. Certified copies of the priority documents have been received.
2. Certified copies of the priority documents have been received in Application No. _____.
3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) Notice of References Cited (PTO-892)
- 2) Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) Information Disclosure Statement(s) (PTO/SB/08)
Paper No(s)/Mail Date _____
- 4) Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____
- 5) Notice of Informal Patent Application
- 6) Other: _____

DETAILED ACTION

1. Claims 1 through 2 have been examined in the patent application numbered 10/090,360 by LaBadie et al (hereinafter referred to as the Application).

Claim Rejections - 35 USC § 112

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

2. Claim 1 is rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

3. The phrase "input the information...and the subject transaction and transmit statistical data" is not definite because a person of ordinary skill in the art would be uncertain what "input...subject...transmit" means since it is unclear whether to 'input the information and transaction' or whether to 'transmit the transaction.' The phrase "and the subject transaction" lacks a verb acting it as the object and is therefore indefinite as to what action is to be done to the object, i.e. the transaction. The metes and bounds of the claim can not be understood because of the lack of a verb acting on the subject in the claim.

4. Claims 1 - 2 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

5. The phrase "may be guaranteed" is not definite because a person of ordinary skill in the art would be uncertain what "may be guaranteed" means since the term

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guaranteed is a definite assurance of performance and the word may means only a likelihood of performance. The phrase "may" and "guaranteed" has contradictory meanings that are therefore contradictory and unclear. The metes and bounds of the claim can not be understood because of the contradictory language used in the claims.

Claim Rejections - 35 USC § 102

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent, or on an international application by another who has fulfilled the requirements of paragraphs (1), (2), and (4) of section 371(c) of this title before the invention thereof by the applicant for patent.

The changes made to 35 U.S.C. 102(e) by the American Inventors Protection Act of 1999 (AIPA) and the Intellectual Property and High Technology Technical Amendments Act of 2002 do not apply when the reference is a U.S. patent resulting directly or indirectly from an international application filed before November 29, 2000. Therefore, the prior art date of the reference is determined under 35 U.S.C. 102(e) prior to the amendment by the AIPA (pre-AIPA 35 U.S.C. 102(e)).

6. Claim 1 is rejected under 35 U.S.C. 102(e) as being anticipated by Pollin, US Patent No., 6,041,315, filed Jun. 19, 1997 (hereinafter **Pollin '315**).

7. As to Claim 1, Pollin '315 teaches a system for merchants to accept authorized checks and receive payment on the same electronically from a third-party service provider where the transaction is verified and may be guaranteed, the image of the check writer's check is captured and stored, a sight draft possibly with the image of the

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subject check for the subject payment is created and presented for payment comprising
(See Pollin '315, Column 12, Lines 10 – 26):

- a. a communication device for the merchant to input the information from the check and the subject transaction and transmit statistical information to a service provider (See Pollin '315, Column 10, Lines 30 – 55 and Column 14, Lines 39 – 65);
- b. a database maintained by the service provider programmed to receive statistical information from the merchant, analyze this statistical information and provide a response to the merchant indicating the probability that the payment will be honored (See Pollin '315, Column 10, Lines 20 – 30 and Column 10, Lines 8 – 20);
- c. a check scanner or other image-transfer device attached to the merchant's communication device to capture the image of the subject check and transmit the image of the check to data storage (See Pollin '315, Column 7, Lines 1 – 15 and Column 16, Lines 10 – 25);
- d. an image repository for storage of the images of the checks processed through this invention (See Pollin '315, Claim 13 and Claim 18);
- e. an automated system to transmit payment from the service provider on approved transactions to the bank account of the merchant in the amount of the approved transaction, less the cost of the service and prearranged risk hold backs, delayed posting arrangements or other criteria (See Pollin '315, Column 4, Lines 50 – 60 and Figure 8);

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f. and an automated process wherein if the merchant is a "guarantee" customer of the service provider, the merchant shall be indemnified for any returned checks that are returned unpaid from the check writer's bank account. This guarantee shall be subject to the terms and conditions of the service provider's contract for the same (See Pollin '315, Column 12, Lines 10 – 26 and Column 10, Lines 40 – 45).

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
 2. Ascertaining the differences between the prior art and the claims at issue.
 3. Resolving the level of ordinary skill in the pertinent art.
 4. Considering objective evidence present in the application indicating obviousness or nonobviousness.
8. Claim 2 is rejected under 35 U.S.C. 103(a) as being unpatentable over Pollin '315, US Patent No., 6,041,315, in view of the non-patent literature by Whittlesey. See Frances Cera Whittlesey, Taking orders by phone check, Nations' Business, V85n1, page 1 (hereinafter **Whittlesey**).

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9. As to Claim 2, Pollin '315 teaches or discloses a system for merchants to accept authorized checks and receive payment on the same electronically from a third-party service provider where the transaction is verified. (See Pollin '315, Column 12, Lines 10 – 26). However, Pollin '315 does not teach or disclose wherein a sight draft payable to either the service provider or the merchant [interpreted to mean a demand draft of payable on demand draft] in the amount of the approved transaction is created through a check software and printing program using the statistical information transmitted to the service provider from the merchant. On the other hand, Whittelsey teaches or discloses that “[t]he merchant sends the customer's checking-account number to Redi-Checkbyfax or electronic mail. Redi-Check creates a demand draft payable to the merchant,....Merchants can also create the demand drafts themselves using software from a San Diego company, TurboCheck.” See Frances Cera Whittelsey, Taking orders by phone check, Nations' Business, V85n1, page 1.

The prior art of Pollin '315 and Whittelsey are “analogous” or “pertinent” because Pollin '315 solves the same problem making sure checks are good and Whittelsey solves the same problem of making sure checks are good. Both Pollin '315 and Whittelsey are in the same field of endeavor as the patent application because Pollin '315 and Whittelsey are in the field of commercial transactions.

Therefore, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to modify Pollin '315 to include a “sight draft” in view of Whittelsey because Whittelsey adds a commercially available feature to the check verification system of Pollin '315 since the need “[t]he method, long used by insurance

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companies and utilities for monthly payments, is gaining acceptance and availability for one-time purchases as well" as stated in of Whittelsey. See Frances Cera Whittelsey, Taking orders by phone check, Nations' Business, V85n1, page 1. It would have been obvious to one skilled in the art to use the improved sight draft system in Whittelsey to add the payable on demand feature in the system of Pollin '315 because Pollin '315 would need or want the added feature of being able to provide sight drafts which would be more fungible than ordinary checks or drafts because they had been verified by the system of Pollin '315.


Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to James Rioux whose telephone number is (571) 272-7326. The examiner can normally be reached on Monday through Friday from 8:30 AM to 5:00 PM..

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James Trammell can be reached on (571) 272-6712. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.



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